

# **IOWA COLLEGE STUDENT AID COMMISSION**

## **MINUTES OF MEETING**

**September 21, 2012**

**10:00 a.m.**

**Iowa College Student Aid Commission  
603 East 12<sup>th</sup> Street, 5<sup>th</sup> Floor, Des Moines, Iowa 50319  
Conference Room**

### **Members Present:**

Janet Adams	Rob Denson
Bob Donley	Crystal Ford
Colleen Hunt	Ron Jorgensen
Fred Moore	Doug Shull
Elizabeth Sullivan	Cindy Winckler

### **Members Absent:**

Roger Claypool	Randy Feenstra
Herman Quirnbach	Karolyn Wells

### **Staff Present:**

Nancy Ankeny	Todd Brown
Tony Girardi	Deb Krueger
Julie Leeper	Karen Misjak
Julie Ntem	Carolyn Small
Ashley Wendt	

### **Attorney General Present:**

David VanCompernelle

### **Guests Present:**

Wanda Boatwright	Ashford University
Heather Gaumer	Simpson College\ IASFAA
Michael Gonzalez	Viterbo University
Robin Madison	Legislative Services Agency
Dawn Nardini	Ashford University
John Parker	Iowa Student Loan
Linda Schwinn	Capri College
Cindy Amyot	University of Missouri-Kansas City

### **Call to Order**

The Iowa College Student Aid Commission met for a regularly scheduled meeting on September 21, 2012. Commission Chair Adams called the meeting to order at 10:00 a.m. with a quorum present.

### **Meeting Minutes July 13, 2012**

Motion: Commissioner Moore moved to approve the July 13, 2012 Meeting Minutes as written. Commissioner Donley seconded the motion which passed unanimously.

### **Executive Director's Report**

Ms. Misjak said Great Lakes moved all paper documents from the Commission and we are working closely with the U.S. Department of Education to meet record retention requirements. The Federal Fund will be transferred to Great Lakes once the Department verifies the balances and a small portion of the fund will be maintained for outstanding warrants for a 6 month time period.

Staff will have view only access to the Sallie Mae system beginning October 1, 2012 until November 30, 2012. Sallie Mae sent a letter outlining the costs associated with the remainder of the contract period. Great Lakes agreed to pay the October and November monthly charges and the deconversion charges in the payment agreement. The letter in the board book will not be signed after it was determined that the conditions in the letter were covered under the Sallie Mae Contract.

Ms. Misjak reports that State Auditors are currently in the office and have to provide audited financial statements to the USDE at the end of the year for SFY12. The Commission will have to provide the financial statements for SFY13 to cover the three months prior to the transfer of the portfolio.

The Commission will not receive the College Access Challenge Grant for 2012-13 because the State did not meet Maintenance of Effort requirements. Since the State of Iowa has a rainy day account, USDE requested the Governor to backfill funding to meet the requirements. Commissioner Winckler asked if a supplemental could be done in January, however the amount needed to meet the MOE is over \$2 million in support of financial aid for students attending private institutions of higher education and over \$42 million in support of public institutions of higher education.

Ms. Misjak said there were two applicants that qualified under the Iowa Grant for students of deceased public workers.

Commissioners were given the Audit Report for June 2011. The findings in the report were due to data entry errors and have been corrected.

The Commission's layoff plan will be final on September 27, 2012. Deb Krueger has resigned and her last day will be the same day.

Chair Adams thanked all of the staff for their hard work during this difficult time and wished the departing staff well.

### **Consent Agenda**

Motion: Commissioner Donley moved to approve the Consent Agenda items as listed. Commissioner Ford seconded the motion which passed unanimously.

### **State FY 2014 and 2015 Budgets**

Mr. Girardi presented Commissioners with statistical information regarding state need-based student aid and postsecondary access. Commissioner Winckler said the more educated a community is the greater impact there is on economic growth.

Staff will be submitting a status quo budget as requested by the Governor's office. The Legislative Committee believes it was effective last year when Commissioners presented at the budget hearing and requested increased appropriations for programs. Ms. Leeper said the Legislative Committee will meet a few more times prior to the November Commission meeting. During the Commission meeting, the Legislative Committee will present its recommendation for what Commissioners should request during the Commission's budget hearing with the Governor.

Chair Adams is concerned with the recommendation that funding for the for-profit Iowa Tuition Grant Program remain at the current level. She asked whether Commissioners believe they should single out this Program, and expressed concern over how this action could impact students. Commissioner Donley said tuition throughout the state is increasing and, if grant awards are not increased by at least some fraction, students will be held back from gaining access to postsecondary education. Commissioner Donley felt the Commission should entertain asking for an increased appropriation. The federal discussion about the students who attend for-profit universities is unclear. Commissioner Donley would not support excluding the for-profits from budget increases that the Commission will propose. Chair Adams feels that students in all sectors should be supported.

Commissioner Winckler thought it would be realistic to determine the administrative costs associated with administering the programs and that it is important that the state pay for the administration of programs which it supports. With revenue significantly decreased from other sources for the Commission, it is important to have this conversation now.

Commissioner Denson said that maybe holding the for-profit institutions level is appropriate. He noted that the Commission is responsible for the registration of postsecondary institutions in Iowa and decides what educational institutions may provide education to students in our state. He felt there is credible evidence that there are problems in the for-profit sector and the Commission must ensure that it is protecting Iowa students. An appropriate response is

needed, so there is not criticism of the Commission with respect to postsecondary registration and protection of Iowa students. Chair Adams feels an addendum can be included in the budget requests to address the for-profit institutions. She also noted that she is aware that the Consumer Protection Division of the Attorney General's Office is currently investigating some for-profit institutions in the state.

Commissioner Moore said that institutions are required to provide a significant amount of information when registering in this state. Commissioner Donley asked if there is a rationale that the Commission has come up with that allows Commissioners to make informed decisions in terms of consumer protection. He felt that additional criteria may be needed. He also noted that while the law provides explanatory language, the Commission has no real sanction authority. Some states have entire departments overseeing registrations in their states and are receiving millions of dollars to fund departments.

Commissioner Donley said he would like to have more information by the November Commission meeting regarding the criteria that is being used to register institutions in Iowa, and felt it might be appropriate to ask the Higher Learning Commission what they use in their accreditation standards. Commissioner Donley said this information may be useful to Commissioners in deciding whether to request an increase for the for-profit Iowa Tuition Grant Program.

Ms. Misjak said student complaints are documented and that staff works with the Consumer Protection Division at the Attorney General's office.

### **XAP Contract Amendment**

Motion: Commissioner Donley moved to authorize staff to approve the amendment to the Community Center Web Portal Contract with XAP Corporation. Commissioner Ford seconded the motion which passed unanimously.

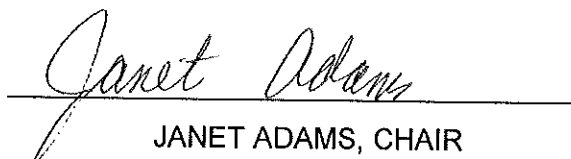
### **Staff Reports**

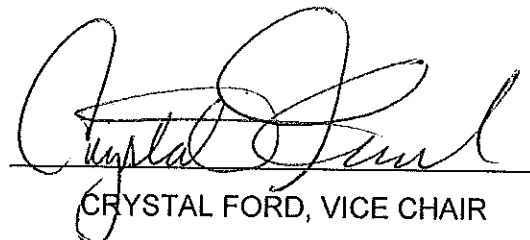
Ms. Kruger presented the FY 2012 Revenue and Expenditure Summary.

Ms. Ankeny provided a report on I Have A Plan Iowa™. A comparison of all charts was provided to show the growth and usage of the program.

Mr. Brown presented an evaluation of the Iowa Grant Program.

Commission adjourned at 12:02 p.m.

  
JANET ADAMS, CHAIR

  
CRYSTAL FORD, VICE CHAIR